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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)
) Chapter 11
)
GENERAL MOTORS CORP., <i>et al.</i> ,) Case No. 09-50026 (REG)
)
Debtors.) (Jointly Administered)
)

**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF ALLISON
TRANSMISSION, INC., F/K/A CLUTCH OPERATING COMPANY, INC., WITH
RESPECT TO PROPOSED ASSUMPTION AND ASSIGNMENT OF AN AGREEMENT
BETWEEN THE DEBTORS AND ALLISON TRANSMISSION, INC., F/K/A CLUTCH
OPERATING COMPANY, INC., AND PROPOSED CURE AMOUNT**

Allison Transmission, Inc., f/k/a Clutch Operating Company, Inc. (“Allison”), a party in interest, files this limited objection and reservation of rights to the Debtors’ Motion Pursuant to 11 U.S.C. §§ 105, 363(b), (f), (k), and (m) and 365 and Fed. R. Bankr. P. 2002, 6004, and 6006, to (I) Approve (A) the Sale Pursuant to the Master Sale and Purchase Agreement with Vehicle Acquisition Holdings LLC, a U.S. Treasury-Sponsored Purchaser, Free and Clear of Liens,

Claims, Encumbrances, and Other Interests; (B) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (C) Other Relief; and (II) Schedule Sale Approval Hearing (Docket No. 92) (the “Sale Motion”) and states as follows:

1. Pursuant to the Sale Motion, the Debtors seek, *inter alia*, authority to assume and assign certain designated executory contracts and unexpired leases. The Debtors have provided notice to Allison that an agreement between Allison and the Debtors has been designated as an Assumable Executory Contract (as defined in the Sale Order).

2. Allison and its subsidiaries are parties to multiple agreements with the Debtors. The Debtors have not yet provided notice to Allison of which of its agreements with the Debtors has been designated as an Assumable Executory Contract or of a proposed cure amount for potential assumption and assignment of the Debtors’ agreement with Allison.

3. Allison may consent to the assumption and assignment and the cure amounts proposed by the Debtors upon receiving information sufficient to identify which agreement between Allison and the Debtors has been designated as an Assumable Executory Contract and the Debtors’ proposed cure amount. Pending receipt of such information, Allison objects to the assignment or sale of any asset or property in which Allison or any of its subsidiaries holds an interest (including, without limitation, to the assumption and assignment of agreements between it and the Debtors) pursuant to the Sale Motion and the cure amount proposed by the Debtors and reserves its rights to supplement this objection with additional legal or factual arguments.

WHEREFORE, pending its receipt of further information from the Debtors, Allison objects to the Sale Motion, the proposed assumption and assignment of an agreement between Allison and the Debtors and the Debtors' proposed cure amount and reserves its rights to supplement this objection.

Dated: June 15, 2009
New York, New York

Respectfully Submitted,

LATHAM & WATKINS LLP

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